

***Code of Practice
for the
Marketing
of
Home Security Systems***

***Version 2.2
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AUSTRALIAN SECURITY INDUSTRY ASSOCIATION

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DEFINITIONS

Accreditation

- *Accreditation* is a program of education, training and development administered by the Australian Security Industry Association Limited (ASIAL).

Advertisement

- *Advertisement* includes any statement, pictorial representation or design, however made, that is intended, whether directly or indirectly, to promote the use or supply of goods and/or services.

Advertising

- *Advertising* is the public promotion of goods and/or services to increase sales.

ASIAL Board of Directors

- The *Board of Directors* ('the Board') refers to that group of office-bearers that is elected by Members in general meeting of the Australian Security Industry Association Limited (ASIAL).

Association

- *Association* means the Australian Security Industry Association Limited (ASIAL).

Code Administration Committee

- *Code Administration Committee* is the Committee appointed under the provisions of this Code to administer it.

Disciplinary Committee

- *Disciplinary Committee* refers to the committee appointed by the Board to examine breaches of the Association's Constitution, Member Professional Code of Conduct, and any mandatory codes of conduct and/or practice that may be approved by the Board from time to time. Such breaches may be brought to the attention of the Disciplinary Committee as a result of the lodgement of a formal complaint. The Disciplinary Committee reports on, and may refer as appropriate, cases of such breaches to the Board. Referral may incorporate a recommendation for disciplinary action including, but not necessarily limited to, expulsion from the Association.

Home Security System

- *Home Security Systems* are electronic systems, which may be either monitored or unmonitored, and which are designed to detect unlawful entry or notify an emergency situation in a domestic or small commercial premises.

Industry

- *Industry* refers to the private security industry.

National Electronic Security Special Interest Group

- *National Electronic Security Special Interest Group (NESSIG)* refers to the reference group which monitors and reports on activity in all areas within the electronic sector of the private security industry.

Sales Operatives

- *Sales Operatives* are employees, agents, franchisees or licensees who sell home security goods and services, and who are appropriately licensed where applicable.

Security System Installers

- *Security System Installers* are qualified, registered and licensed (where applicable) technicians who install electronic security systems (including home security systems and home automation systems incorporating home security systems) in compliance with relevant Australian Standards.

Testimonials

- *Testimonials* are statements of character, conduct, quality or qualifications.

1. FOREWORD

This mandatory Code of Practice sets standards of conduct for the activities of individuals and enterprises engaged in the marketing of home security products and services.

The Code owes its origin to the determination of the Australian Security Industry Association Limited (ASIAL) to ensure that its Members, who actively market (purchase or obtain for resale) home security systems, do so in a manner that is honest, reputable and lawful.

Observance of, and adherence to, this Code is a condition of membership of the Association, and Members, as well as those acting on their behalf, must comply with both the letter and spirit of the Code.

2. INTRODUCTION

Background

The Australian Security Industry Association Limited (ASIAL) is a National industry body founded in 1969 and incorporated as a company limited by guarantee under the *Corporations Act 2001*.

ASIAL represents all levels and sectors of the private security Industry including manufacturers, wholesalers, distributors, importers, installers, technicians and marketers (including mail order traders and multi-level marketing organisations).

The philosophy of the Association is to promote the interests of the Industry and Members by encouraging and advancing optimum community protection through greater awareness of the role of alarm systems and crime preventative approaches, including the appropriate use of electronic surveillance and home automation products and services

The policy setting and direction of the Association is vested in the National Board of Directors, elected by the Membership. Additional input is provided by members of the National Council, Branch Chairmen, and Convenors of the Special Interest Groups. The management of the Association and the execution of policy are coordinated by the National Secretariat.

Activities of the Association include Member representation and/or advocacy, information gathering, assessment and dissemination, technical and scientific data, regulatory affairs, the issuing of publications, trade and consumer promotions, education, training and development, and accreditation programs.

Underlying Principles Of The Code

This Code sets standards of fair and ethical conduct as part of a system of self regulation in the marketing of home security products and services, and therefore compliments Commonwealth, State and Territory trade practices and fair trading laws.

Members accept that high standards play a paramount role in the marketing of the Industry's products and will take all practical steps to ensure fair and honest dealings within the market.

The prime concern of ASIAL in developing this Code has been to develop and recommend acceptable principles and practices that deal fairly with relationships, but do not compromise safety or public benefit or the right of a particular consumer to make an informed judgement or purchasing decision.

The approach has been predicated upon the capacity of respective audiences to understand messages and discriminate between what is empirical and what is promotional.

What distinguishes this Code from imposed regulations is that Members agree to support it in spirit, and not treat its provisions as obstacles to be circumvented by legal ingenuity.

Objectives of the Code

Specifically, the Code seeks to assist Members to:

- Ensure that they possess a thorough knowledge and due regard for the requirements of their customers by responsibly informing them about security products and services that are available and the importance of them to the well being of all Australians;
- Ensure that all information is presented in an accurate, honest and balanced way and is based upon sound, relevant and objective considerations;
- Ensure that such information is communicated in a way which advances the responsible and rational use of security products;
- Ensure that high standards of professionalism are employed in dealings and relationships;
- Establish fair and efficient complaint handling procedures;
- Ensure awareness that commercially significant sanctions will apply to those Members found to be in breach and who fail to rectify that breach.

In order that:

- Customer and community confidence will be strengthened in those who market home security products and services;
- Appropriate standards of trading are set and maintained by those who market home security products and services;
- A level playing field exists in the market place;
- Breaches of legislation are minimised, and
- An industry culture of fair and ethical conduct is fostered.

Application and Scope of the Code

This Code is designed to apply to individuals and organisations that market security products and services, and Members submit to this Code in all aspects because they acknowledge an obligation to ensure that their dealings are consistent with the highest standards of integrity; that their products are manufactured in accordance with Best Manufacturing Practice with regard to safety and quality, and that product claims are honest, intelligible, can be substantiated, and conform to canons of good taste and relevant Commonwealth and State/Territory legislation.

Suppliers of home security products and services who do not belong to the Association are invited and encouraged to accept and comply with this Code.

3. MARKETING PRINCIPLES

SCOPE

These general provisions apply to the marketing of all products irrespective of the specific target audience. It should be recognised and understood that the general public may possess only a superficial technical and scientific knowledge and may rely on statements and claims made in advertising and promotion material to form judgements on the performance expected of a product or service.

3.1 CONDUCT

- Members shall not engage in any unfair, unethical or unconscionable conduct or commercial practice.
- Members shall at all times ensure that they are familiar with, and comply with, the relevant provisions of Commonwealth and/or State/Territory Acts and Regulations which relate to the functions and operations of the private security industry.
- Members shall comply with the 'cooling off' period for their respective State or Territory within required documentation.
- Members shall comply at all times with the provisions of such other codes and guidelines that are from time to time developed and/or endorsed by the Association.
- Members will at no time make statements that may lead consumers to forego appropriate crime prevention measures, or discourage the customer from seeking specialist security advice.
- Members will guard against marketing techniques that do not disclose openly and overtly where conditions apply that will bind the customer, through agreement or contract, to significant charges or to lengthy contract periods.
- Members will only promote systems that are fit for the security purpose duly assessed and designed to the risk profile.
- Members will clearly explain ownership of the security system to the customer.
- Where a system is monitored, Members will ensure that all customers sign a written alarm monitoring and service agreement.

3.2 ADVERTISING AND PROMOTION

- 3.2.1. Advertising and promotional material must be clearly distinguishable as such.

Further requested information must be provided to the enquirer, upon request.
- 3.2.1.1 All material must clearly identify the source of that material by detailing the advertiser's name, address, telephone/facsimile number or email address, Australian Business Number (ABN) and State/Territory security business licence number (where applicable).

- 3.2.2 Advertising and promotional material (including graphics and other visual representations) must not mislead, must contain no exaggerated claim (direct or implied), and must conform to generally accepted standards of good taste and recognise the circumstances of the prospective customer. Unqualified superlatives must not be used.
- 3.2.3 Literature references, information, findings or conclusions from independent research, surveys or scientific studies must be genuine and presented in a balanced, objective, honest and accurate manner and appropriately referenced.
- 3.2.4 All descriptions, claims and comparisons that relate to any objectively ascertainable facts must be capable of substantiation.
- No advertisement shall in any way tend to induce fear or unjustified concern that the reader may suffer, or suffer more severely, from home invasion or crime.
- The total minimum cost of equipment, installation fees, monitoring, and any other fees over any minimum contract term shall be clearly stated.
- Claims purporting guaranteed response by emergency services, such as police, fire and ambulance, shall not be used.
- No advertisement shall make false or unsupported claims or guarantees about patrol or police response times.
- 3.2.5 Advertisements promoting systems or components as 'free' or 'zero dollars' must suitably qualify such a claim, including clear disclosure of the total minimum cost over any minimum contract term.
- Claims that prospective customers have 'won' a security system, when in fact there has been no draw or competition conducted according to law, and the 'free' system is actually conditional upon purchase of a monitoring arrangement, must not be used.
- Terms of the offer must be clearly spelled out, including contractual relationships, ownership of the product, duration and charges.
- Limited offers must clearly explain the conditions that apply.
- 3.2.6 Claims must not imply that a product is unique or has some special merit, quality or property unless this can be substantiated.
- 3.2.7 A product promotion may not use the word 'new' for more than one year following general introduction of the product. To justify such a description the advertiser must be able to

demonstrate the existence of real novelty in design, presentation or brand name (provided that the product or service has not previously been sold by the same advertiser under a different brand name).

- 3.2.8 Comparisons should be balanced, fair and capable of substantiation and compare 'like with like'. All comparative statements should be designed so that, on any reasonable interpretation, consumers would not be misled, either about the product being advertised or about any product with which it may be compared.
- 3.2.9 No advertisement shall denigrate or unfairly attack any other products, goods or services or other sectors of the Industry.
- 3.2.10 No advertisement shall denigrate traditional policing methods or police services.
- 3.2.11 Advertising and promotional material should not imitate the devices, copy, slogans or general layout adopted by other advertisers in a way that is likely to mislead or confuse.
- 3.2.12 Slogans, which, because of brevity or for any other reason, are capable of misinterpretation, shall be used only in association with copy that clearly indicates their correct meaning.
- 3.2.13 No advertisement shall claim, without proof, official police or other sponsorship approval.
- 3.2.14 Implications that a scientist or a group of scientists or other experts support a claim may only be made when the claim is reasonably widely supported by experts in the appropriate field.

3.3 RECOMMENDATIONS AND TESTIMONIALS

- 3.3.1 Testimonials should be bona-fide and represent the genuine views of the user. If a testimonial is shortened particular care should be taken to ensure that the original meaning is not changed in any way.
- 3.3.2 Any material in testimonials that is contrary to this Code must not be used.
 - Testimonials are not permitted from the advertiser and/or promoter, or from their employees, directors, agents, contractors, suppliers or families.

3.4 ADVERTORIALS

- Advertisements shall be clearly distinguishable from editorial material.
- Advertisements shall not be placed on the basis that they will be in

juxtaposition to editorial in such a way as to suggest that the product or service has benefits that it does not.

3.5 DIRECT MARKETING

Members will observe the Code of Practice of the Australian Direct Marketing Association (ADMA) when engaging in direct marketing.

Telemarketing

Telephone solicitations shall not be disguised as polling or surveys and are not permitted after 8:00 pm or on Christmas Day, Good Friday or Easter Sunday unless prior permission has been obtained from the customer.

Door-to-door sales

Members will ensure that conditional offers are properly explained to customers and that there is full disclosure of charges and obligations and the expiry date of the offer or 'special' over the period of an agreement or contract.

Members will observe the Code of Practice of the Direct Selling Association of Australia (DSAA) in this regard.

Spam and e- marketing

Members will observe the Code of Practice of the Australian Direct Marketing Association in this regard.

4. PRIVACY

Customer privacy must be respected in all dealings.

Members will conform to National Privacy Principles, in particular those relating to:

- The collection of personal information
- The use and disclosure of personal information
- Data quality and security
- Openness on the management of personal information
- Access and correction
- Use of identifiers
- Anonymity

5. TRAINING AND LICENSING

All sales operatives shall receive adequate and appropriate induction, orientation and training as applicable to the Home Security sector of the Industry.

Sales operatives shall be licensed in accordance with security legislation that exists in the appropriate State or Territory, and shall carry photo identification where required.

6. SCHEME OF ADMINISTRATION FOR THE CODE OF PRACTICE FOR THE MARKETING OF HOME SECURITY SYSTEMS

6.1 CODE ADMINISTRATION COMMITTEE

6.1.1 This Code is to be administered by the Code Administration Committee, which will be made up of:

one member of the Association's Board; the Manager, Compliance and Regulatory Affairs, and the Convenor of the ASIAL National Electronic Security Special Interest Group (NESSIG). In addition, where required, specialist advice will be sought.

6.1.2 A Committee member shall hold office for a period of 12 months, and shall be eligible for reappointment.

6.1.3 The Code Administration Committee shall meet as required.

6.1.4 The tasks of the Code Administration Committee are:

- To overview the effective operation and administration of Code complaints handling procedures; and
- To determine policy and procedures to promote the application of the Code throughout the market, and its recognition by consumers.

6.2 COMPLAINTS RESOLUTION

6.2.1 The Code Administration Committee, where deemed necessary, will refer complaints received to the Disciplinary Committee for further action.

6.2.2 In assessing whether a breach of the Code has occurred, the Disciplinary Committee shall take into account whether the relevant target audience would be misled by the advertising or promotion.

6.3 COMPLAINTS HANDLING PROCEDURES

6.3.1 All complaints, whether concerning Members or non-Members, will be dealt with expeditiously, in accord with ASIAL's *Complaints and Disputes Policy and Procedures*.

6.3.2 Complaints received from any source (e.g. consumer, competitor, government instrumentality, industry association) and by any communication means, shall be recorded in the

- Association's Complaints Register, and full details documented as per the guidelines for complaints.
- 6.3.3 The Association will acknowledge the complaint in writing to all parties and seek explanation from the organisation subject to the complaint. Where agents, franchisees, licensees or the like are known to also be subject/s of the complaint, then they will also be contacted.
- 6.3.4 Where a complaint involves a significant risk to public safety, the Association will endeavour to initiate immediate action with the alleged breaching organisation.
- 6.3.5 After reviewing all information provided where the complaint may constitute a breach of this Code, the complaint may be referred to the Disciplinary Committee for consideration.
- 6.3.6 Upon determination of the alleged breach, the Manager, Compliance and Regulatory Affairs shall notify all parties of the decision of the Disciplinary Committee and appeal provisions.

6.4 SANCTIONS

One or more of the following sanctions may be applied by the Disciplinary Committee where breaches of the Code have been established:

a requirement to remove or change any offending material;

a requirement to issue a corrective statement in a manner and with wording approved by the Committee;

a requirement to publish a corrective advertisement in a manner and with wording approved by the Committee;

a requirement to have future advertising and promotion material precleared by the Association.

a requirement to lodge a bond;

forfeiture of a lodged bond;

finest that reflect the damage done by the breach or negate the commercial advantage gained by the offending material;

suspension or exclusion from any accreditation status;

a recommendation to the Board that the Member found in breach of the Code be suspended or expelled from membership, as provided for by the Association's *Constitution*.

6.5 COMPLIANCE

Members will ensure that all appropriate personnel within their organisation, and any outside partnering organisations including agents,

contractors, sub-contractors, franchisees, licensees and consultants, are aware of the requirements of this Code and its attendant responsibilities.

Members shall co-operate with the Association in the investigation of problems that may from time to time arise with respect to the provisions of the Code.

Should any security provider refuse to comply with a sanction imposed by the Disciplinary Committee, or refuse to cooperate in the hearing of a complaint heard by that Committee, the Manager, Compliance and Regulatory Affairs may either:

- refer the matter for action to an appropriate regulatory body, such as the Australian Securities and Investments Commission (ASIC), Australian Competition and Consumer Commission (ACCC), State/Territory Office of Fair Trading or security industry regulatory and licensing body, or:
- institute legal proceedings on behalf of the Association.

6.6 APPEAL PROVISIONS

6.6.1 Should any party to a decision of the Disciplinary Committee feel aggrieved and wish the decision reviewed, there will be access to appeal.

6.6.2 In the case of an appeal by a Member organisation against a decision of the Disciplinary Committee, such appeal shall be in writing and directed to the Manager, Compliance and Regulatory Affairs within fourteen days of formal notification of the decision.

6.6.3 The Manager, Compliance and Regulatory Affairs may take one of two courses of action:

- reject the appeal after convening a special meeting to examine the complaint and providing the appellant with an opportunity to present their views, either personally or in writing; or
- refer the matter to arbitration.

6.6.4 In the case of an appeal by a consumer against a decision of the Disciplinary Committee, such an appeal shall be in writing and directed to the Manager, Compliance and Regulatory Affairs within fourteen days of formal notification of the decision, and may be subsequently directed to a trade practices lawyer for adjudication.

6.7 PUBLICITY OF THE CODE

The Code Administration Committee shall widely publicise the existence of the Code and the administration rules (and any alterations thereto) to the Industry, regulators, the general public and other relevant audiences.

6.8 RECORDS AND REPORTING

- 6.8.1 The Code Administration Committee shall keep appropriate data. Such data shall include:
- the number of complaints lodged, and by whom;
 - the number found to be in breach of the Code, and why;
 - details of the action taken;
 - the number found *not* to be in breach of the Code, and why;
 - time taken to deal with complaints;
 - how many items were monitored within each category;
 - how many monitored were found to be in breach of the Code and why, and action taken.
- 6.8.2 Reporting procedures: the Code Administration Committee shall report to the Board at least annually on the operation of its activities including the number of complaints, type of complaints and whether the complaints were substantiated. The Board shall produce an Annual Report on the Code and its administration and distribute it widely to interested parties.

6.9 REVIEW AND EVALUATION OF THE CODE AND ADMINISTRATION RULES

- 6.9.1 The Code and its administration will be reviewed and evaluated by the Board on a regular basis.
- 6.9.2 Comments shall be sought from interested parties on the review and evaluation of the Code and on proposed amendments.